

# **FISCAL NOTE**

## **SB 2549 - HB 2935**

March 12, 1998

**SUMMARY OF BILL:** Redefines "beer" to exclude malt-based beverages and repeals the law allowing beer to be sold in any size container.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Revenues - Exceeds \$600,000 / Net Impact**  
**Decrease Local Govt. Revenues - Exceeds \$1,000,000 / Net Impact**

Assumes that the change in classification for such beverages from "beer" to "alcoholic beverages" would make them subject to the state wine tax at \$1.10/gallon and the local municipal inspection fee. Such beverages are currently subject to the local 17% wholesale tax and the state barrelage tax of \$3.90/barrel. The estimate also assumes that sales of such beverages would decrease by approximately 25% due to the more limited availability of such beverages.

The following assumptions were made for illustrative purposes:

- Approximately 3,000,000 malt-based beverage 4-packs sold per year under the current law would generate \$840,000 in tax revenues to the state and \$1,537,500 in tax revenues to local governments.
- Approximately 2,250,000 malt-based beverage 4-packs sold per year under the provisions of this bill (assuming a 25% decrease in sales) would generate \$1,440,000 in tax revenues to the state, and \$495,000 in tax revenues to local governments.

Assumes that the repeal of the "any size container" law would not have a significant impact, in and of itself, on the total sales of beer.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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